

REPORT (1999) OF THE COMMITTEE ON TRADE IN CIVIL AIRCRAFT

1. This report is submitted under Article 8.2 of the Agreement on Trade in Civil Aircraft (hereinafter the "Agreement") and Article IV.8 of the Marrakesh Agreement Establishing the World Trade Organization. It sets out the activities of the Committee since November 1998.
2. As of 1 December 1999, there were 24 Signatories to the Agreement: Bulgaria, Canada, the European Communities, Austria, Belgium, Denmark, France, Germany, Greece, Ireland, Italy, Luxembourg, the Netherlands, Portugal, Spain, Sweden, the United Kingdom, Egypt, Japan, Macau, Norway, Romania, Switzerland and the United States. Those WTO Members with observer status in the Committee are: Argentina, Australia, Bangladesh, Brazil, Cameroon, Colombia, the Czech Republic, Finland, Gabon, Ghana, India, Indonesia, Israel, Korea, Malta, Mauritius, Nigeria, Poland, Singapore, the Slovak Republic, Sri Lanka, Trinidad and Tobago, Tunisia and Turkey. In addition, China, the Russian Federation and Chinese Taipei have observer status in the Committee. The IMF and UNCTAD are also observers.
3. Since November 1998, the Committee has held two regular meetings, on 21 July 1999 and 17 December 1999.
4. The agenda and minutes for the July 1999 meeting can be found in document TCA/M/8. At this meeting, the Committee discussed: the status of the Agreement in the WTO framework; the need to update certain Harmonized System (HS) headings in the Product Coverage Annex of the Agreement; the European Communities' regulation on aircraft engine noise; the certification of large civil aircraft in France; Belgian aircraft industry supports; and the manner in which the Committee would report to the General Council in time for the 1999 Seattle Ministerial Conference. The Committee also discussed the system of "end-use" customs administration in several Signatories and the Chairperson reminded Signatories that they should, by 30 September 1999, submit information to update the information concerning civil/military identification for domestic customs purposes contained in document AIR/TSC/W/49.
5. At the July 1999 meeting, the Committee also agreed to refer two matters to the Technical Sub-Committee of the Committee on Trade in Civil Aircraft: (i) the need to update certain Harmonized System (HS) headings in the Product Coverage Annex of the Agreement in light of changes to the Harmonized System effective as of 1 January 1996.; and (ii) the proposed amendment by one Signatory to clarify that ground maintenance simulators fall within the product coverage of the Agreement.
6. At its December 1999 meeting, the Committee reverted to the status of the Agreement in the WTO framework. With respect to the system of "end-use" customs administration, the Committee discussed the proposal by a Signatory concerning the definition of "civil" vs. "military" aircraft based on initial certification rather than registration or the identity of the purchaser. The Chairperson also reminded Signatories that they should, by 31 March 2000, submit information to update the information concerning civil/military identification for domestic customs purposes contained in document AIR/TSC/W/49. In addition, the Chairperson reported to the Committee on the discussions

that had taken place in the Technical Sub-Committee on 16 December 1999. With respect to the updating of certain HS headings in the Product Coverage Annex of the Agreement in light of changes to the HS effective as of 1 January 1996, on the basis of a recommendation from the Technical Sub-Committee, the Committee agreed to instruct the Secretariat to produce, for review by Signatories, a draft of a revised protocol concerning product coverage. This would eventually replace the existing Protocol (1986) currently annexed to the Agreement. With respect to the proposed amendment by one Signatory that ground maintenance simulators fall within the Product Coverage Annex of the Agreement, the Committee agreed to this amendment and to include this item in the draft revised protocol. The Committee further agreed that other items could be considered for inclusion in the draft of the revised protocol. The Committee also reverted to the question of Belgian aircraft industry supports. The following items were raised under "Other Business": issues concerning government-related procurement under Article 4 of the Agreement and issues under Article 3 of the Agreement relating to certification of large civil aircraft and the regulation on aircraft engine noise.

7. An informal meeting of the Committee took place on 20 July 1999 to consider the status of the 1979 Agreement on Trade in Civil Aircraft under the WTO Agreement, and in particular, the draft Protocol (1999) Rectifying the Agreement on Trade in Civil Aircraft that had been circulated by the Chairperson to Signatories in April 1999. The Chairperson's report to the Committee on the discussions at the informal meeting can be found in TCA/M/8, item A.

8. The Technical Sub-Committee of the Committee met once during the period under review, on 16 December 1999, in order to discuss the two items referred to it by the Committee (see para. 5). At the meeting of the Committee on 17 December 1999, the Chairperson of the Technical Sub-Committee reported to the Committee on the discussions within the Technical Sub-Committee.

9. The Sub-Committee of the Committee on Trade in Civil Aircraft did not meet during the period under review.
